

Tire Fee

Revised August, 2006

For more information, check our
Web site: www.revenue.ne.gov



This information guide provides an overview of the Nebraska tire fee program. It is not designed to answer all questions which might arise, but is intended to enable a person to become familiar with the main provisions of this program.

Overview

The Nebraska Tire Fee of one dollar is due on the following tires:

- ✓ Retail sales of qualified tires;
- ✓ Every tire included with a new vehicle; and
- ✓ Every new tire a motor vehicle dealer places on a previously owned vehicle.

Definitions

Qualified tire. Any new tire, including take-off tires, made of rubber or other resilient material, including pneumatic and solid tires, that could be used on any motor vehicle, motorcycle, trailer, semitrailer or farm tractor.

A qualified tire **does not** include new tires sold specifically for use on vehicles designed for off-road use such as, farm discs, golf carts, and all-terrain vehicles; or any recapped or regrooved tire, regardless of intended use. Tires on **farm tractors**, however, **are** subject to the fee.

Qualified vehicle. Any motor vehicle that requires registration in Nebraska to be legally operated and is propelled by any power other than muscular power. Examples are: cars, trucks, truck tractors, motor homes, and motorcycles.

Any trailer or semitrailer that is designed to carry persons or property and is drawn by a motor vehicle. Examples are: camping trailers, boat trailers, and utility trailers.

Collection and Remittance of the Fee

Retailers. Persons making retail sales of qualified tires must collect the fee. They must first submit a Nebraska Tax Application, Form 20, to obtain a Nebraska Tire Fee Permit. Unlike sales tax, only ONE permit is required, regardless of the number of business locations under the same ownership. All permit holders are required to file a Nebraska Tire Fee Return, Form 93. The return is filed on a monthly, quarterly, or annual basis. The filing frequency is determined by the number of tires sold. A return will be mailed to all permit holders for each tax period for which a return is required.

- More than \$3,000 — returns are filed monthly;
- \$900 to \$3,000 — returns are filed quarterly; and
- Less than \$900 — returns are filed annually.

The tire fee is not included in the price of the tire for calculating sales tax, however, as illustrated:

\$49.95	Sales price of tire
2.75	Nebraska sales tax at 5.5%
.50	City sales tax in a city with a rate of 1%
1.00	Nebraska tire fee
<hr/>	
\$54.20	Total amount due

County treasurers. The county treasurer or designated county official collects the fee at the time of registration of a qualified vehicle. For motor vehicles, the fee is due upon registration in Nebraska, regardless of the location of the sale. The county treasurer or designated county official remits the fee on the Nebraska Tire Fee Return, Form 9B.

Motor vehicle dealers must indicate the total number of qualified tires on new qualified vehicles and previously owned vehicles, including the spare, on the Nebraska Sales/Use Tax and Tire Fee Statement for Motor Vehicle and Trailer Sales, Form 6. A new qualified vehicle is one which still has the manufacturer's statement of origin (MSO).

When a sale of a qualified vehicle occurs between two individuals, the seller pays the fee on any new tire placed on the car. The fee is not collected upon registration.

Examples. A car dealer sells a new car. When completing the Form 6, the dealer must indicate 5 tires (4 tires plus the spare). The county treasurer or designated county official collects the \$5.00 tire fee when the new car is registered. The entry on the tire fee line of the Form 6 would be:

TAX COMPUTATION			
1	Total sale price	1	\$
2	Less trade-in allowance	2	
3	Less mfg's rebate assigned to dealer	3	
4	Tax base (line 1 minus line 2 and line 3)	4	\$
5	State sales or use tax (line 4 times rate)	5	
6	City sales or use tax (line 4 times rate)	6	
7	Total state and city tax (line 5 plus line 6)	7	\$
8	Number of new tires <u>5</u> x \$1.00	8	5 00
9	Penalty	9	
10	Interest	10	
11	Balance Due (total of lines 7, 8, 9, and 10)	11	

A car dealer sells a used car after he places 2 new tires on it. The tire fee has not been paid on the new tires because the car dealer purchased the tires for resale. When completing the Form 6, the dealer must indicate 2 tires. The county treasurer or designated county official collects the \$2.00 tire fee when the car is registered. The entry on the tire fee line of the Form 6 would be:

TAX COMPUTATION			
1	Total sale price	1	\$
2	Less trade-in allowance	2	
3	Less mfg's rebate assigned to dealer	3	
4	Tax base (line 1 minus line 2 and line 3)	4	\$
5	State sales or use tax (line 4 times rate)	5	
6	City sales or use tax (line 4 times rate)	6	
7	Total state and city tax (line 5 plus line 6)	7	\$
8	Number of new tires <u>2</u> x \$1.00	8	2 00
9	Penalty	9	
10	Interest	10	
11	Balance Due (total of lines 7, 8, 9, and 10)	11	

An individual places 2 new tires on a car and then sells the car. The number of tires indicated on Form 6 is zero. The individual

paid the tire fee when the tires were purchased from a retailer. The entry on the tire fee line of the Form 6 would be:

TAX COMPUTATION			
1	Total sale price	1	\$
2	Less trade-in allowance	2	
3	Less mfg's rebate assigned to dealer	3	
4	Tax base (line 1 minus line 2 and line 3)	4	\$
5	State sales or use tax (line 4 times rate)	5	
6	City sales or use tax (line 4 times rate)	6	
7	Total state and city tax (line 5 plus line 6)	7	\$
8	Number of new tires <u>0</u> x \$1.00	8	0 00
9	Penalty	9	
10	Interest	10	
11	Balance Due (total of lines 7, 8, 9, and 10)	11	

The Nebraska Department of Administrative Services purchases 4 new motor vehicle tires. As an agency of the State of Nebraska, the transaction is exempt from sales tax, but the tire fee is due. A sample invoice would be:

ABC Tire Co. Invoice No. 0000	
Sold to: Nebraska DAS Lincoln, NE 68509	
4 tires @ 49.95	\$199.80
Sales tax	.00
Tire fee-4 tires @ \$1.00	4.00
Total due	\$203.80

Exemptions

Unlike the sales and use tax programs which allow exemptions to many entities, exemptions under the tire fee are limited to qualified tires which are:

- Sold for resale purposes. The purchaser must issue a properly completed Nebraska Resale or Exempt Sale Certificate, Form 13;
- Sold and delivered to another state;
- Sold to the federal government and its agencies; and
- Sold to Native American Reservation Indians who qualify for the sales and use tax exemption.

FOR NEBRASKA TAX ASSISTANCE

For All Tax Programs Except Motor Fuels

Contact your regional office or call **1-800-742-7474** (toll free in NE and IA)
or **1-402-471-5729**

Nebraska Department of Revenue Web site address: www.revenue.ne.gov

A copy of the Taxpayer Bill of Rights is available by calling any of our regional offices or visiting our Web site.

SCOTTSBLUFF

Panhandle State Office Complex
4500 Avenue I, Box 1500
Scottsbluff, Nebraska 69363-1500
Telephone (308) 632-1200

NORTH PLATTE

Craft State Office Building
200 South Silber Street
North Platte, Nebraska 69101-4200
Telephone (308) 535-8250

GRAND ISLAND

TierOne Bank Building, Suite 460
1811 West Second Street
Grand Island, Nebraska 68803-5469
Telephone (308) 385-6067

NORFOLK

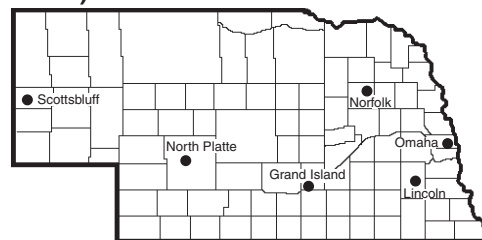
304 North 5th Street, Suite "D"
Norfolk, Nebraska 68701-4091
Telephone (402) 370-3333

OMAHA

Nebraska State Office Building
1313 Farnam-on-the-Mall
Omaha, Nebraska 68102-1871
Telephone (402) 595-2065

LINCOLN

Nebraska State Office Building
301 Centennial Mall South
Lincoln, Nebraska 68509-4818
Telephone (402) 471-5729



For Motor Fuels tax programs only call toll free 1-800-554-3835 (Lincoln residents call 471-5730).

Hearing-impaired individuals may call the Text Telephone (TT) at 1-800-382-9309. TDD (Telecommunications Device for the Deaf) is designated by the use of "TT," which is consistent with the Americans with Disabilities Act.